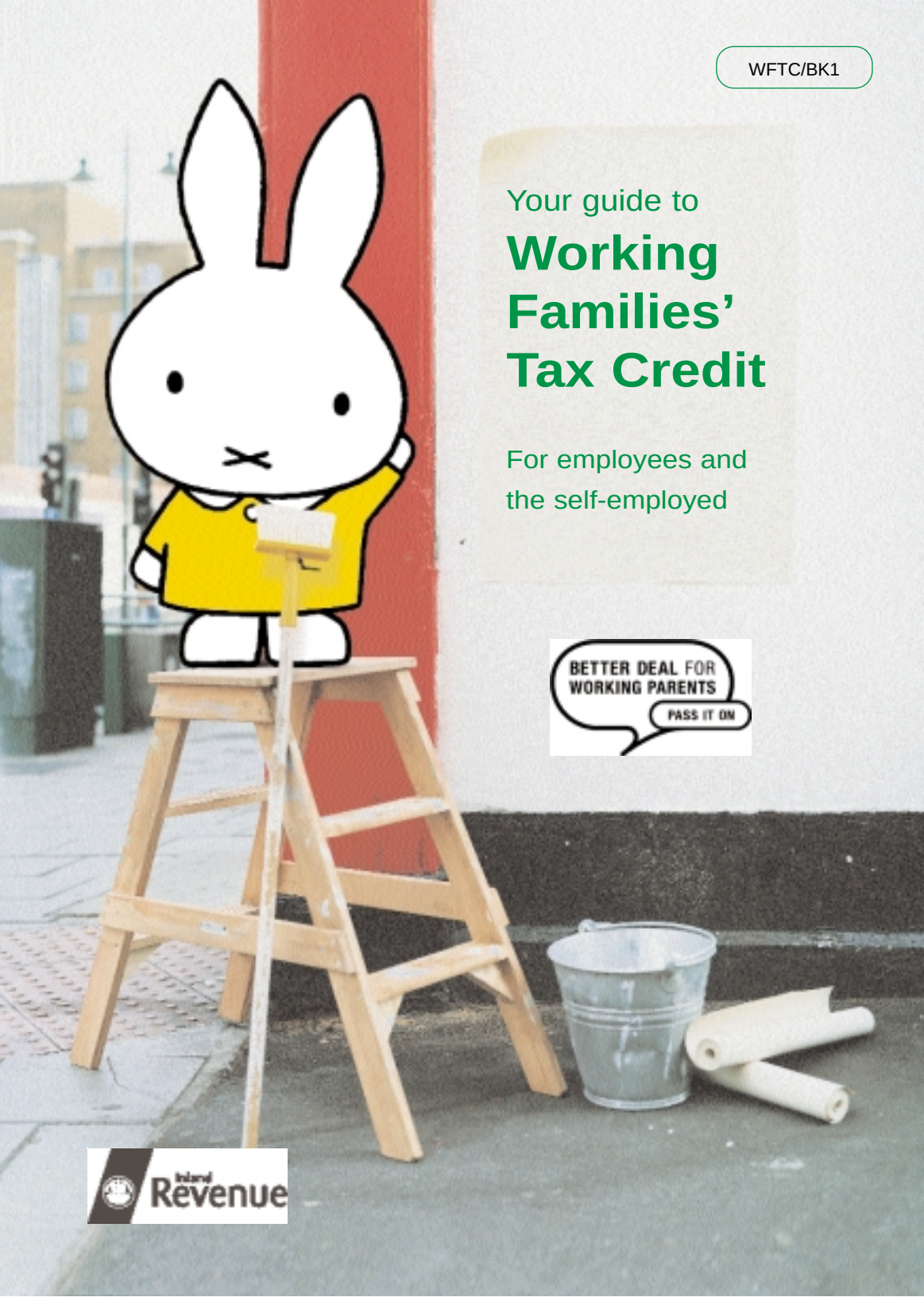
WFTC/BK1



Your guide to

Working Families' Tax Credit

For employees and the self-employed

BETTER DEAL FOR WORKING PARENTS

PASS IT ON

Inland Revenue

This leaflet is available in braille, audio tape and large print. Contact your Inland Revenue office for copies.

Other leaflets you may find useful are

DPTC/BK1	'Your guide to Disabled Person's Tax Credit'
DPTC/BK2	'Your guide to the Disabled Person's Tax Credit Fast-Track'
WFTC/AP	''If you think a tax credit decision is wrong'
SA/BK3	'Self Assessment. A guide to keeping records for the self-employed'
COP 17	'Enquiries into applications for Working Families' Tax Credit and Disabled Person's Tax Credit'

Leaflets are available from Tax Offices, Inland Revenue Enquiry Centres and Benefits Offices. Addresses are in your local telephone book. The leaflets are also available on the Internet at **www.inlandrevenue.gov.uk**

JTJ1 'Just the job'
Available from Jobcentres.

LP15/NDLP 'New Deal for Lone Parents', a leaflet explaining what the programme can provide to help lone parents on Income Support find work.
Available from the New Deal for Lone Parents Information Line on **0800 868 868**.

URN 99/662	'A detailed guide to the minimum wage'
URN 99/663	'National minimum wage - a short guide for employers'
URN 99/664	'National minimum wage - a short guide for employees'

These are available by contacting the national minimum wage helpline on **0845 6000 678**.

BTWB20	'Back to work Bonus'
CMB20	'Child Maintenance Bonus'

Available from Jobcentres, Social Security Offices and Post Offices.

Your local library or Citizens' Advice Bureau may also have copies of our leaflets.

CONTENTS

	Page
Introduction	2
Your questions answered	3
Main rules	6
How WFTC is worked out	8
Examples of WFTC calculations	13
How to apply for WFTC	19
How WFTC is paid	22
Other help for WFTC recipients	23

INTRODUCTION

Since October 1999, many families have been receiving extra cash help through Working Families' Tax Credit (WFTC).

WFTC is a scheme, which has been specifically designed to give working families with children a better deal.

It is administered by the Inland Revenue and it replaced Family Credit, which was administered by the Department of Social Security or, in Northern Ireland, the Department of Health and Social Services. If you have claimed Family Credit before, many aspects of WFTC will be familiar to you.

WFTC is a much more generous scheme. It aims to ensure that many more families on low and middle incomes can keep more of what they earn.

WFTC also includes help towards the cost of childcare. This is worth up to an extra £70 a week for families with one child and £105 a week for families with two or more children who pay eligible childcare costs.

The extra cash help provided by WFTC makes work worthwhile by increasing the income of working families with children and providing extra help with the cost of child-care.

Whether you're already working as an employee or self-employed person or thinking of looking for a job, it is worth taking the time to find out more about WFTC. This brief guide aims to give you the facts - we hope that you find it useful.

Further Information

For advice and information, phone the Tax Credit Helpline on **0845 609 5000** or Textphone **0845 606 6668**. The lines are open from 7.30am to 6.30pm Monday to Friday.

In Northern Ireland, the Tax Credit Helpline number is **0845 609 7000** or Textphone **0845 607 6078**. The lines are open from 7.30am to 6.30pm Monday to Friday.

All calls are charged at local rates.

YOUR QUESTIONS ANSWERED

What is WFTC?

WFTC is a tax credit designed to make work pay for working families. It is much more generous than Family Credit, which it replaced, and includes extra money towards childcare costs. It also helps to tackle many of the problems that parents can face when moving into work or trying to stay in work. WFTC is administered by the Inland Revenue who will calculate your weekly entitlement and arrange for payment. See pages 8-12 for more information.

Who is WFTC for?

It is for people on low or middle incomes, who are working 16 hours or more a week and who are responsible for one or more children. They can be married, unmarried, living with a partner (a person they live with as if they were married), or lone parents.

What sort of work does WFTC apply to?

WFTC is available to people who are self-employed as well as to those who work for an employer.

How do I know if I can apply?

To apply you need to meet just four basic conditions. You or your partner, if you have one, must

- be working for 16 hours or more a week - whether as an employee or as a self-employed person
- have one or more dependent children under 16 (or under 19 if in full time education - up to A-level or equivalent standard) living with you,
- have savings of £8,000 or less,

- be resident in the United Kingdom. See page 7 for more information.

How much WFTC can I get?

WFTC has five parts

- a basic tax credit of £53.15 (one payable per family)
- an extra 30-hour tax credit of £11.25 (when one earner works at least 30 hours per week)
- a tax credit for each child in the family, with different rates according to the child's age
    - £25.60 from birth to 16
    - £26.35 from September following 16th birthday up to the day before the 19th birthday
- an extra tax credit of £22.25 for each disabled child will be available from October 2000 to each child who gets Disability Living Allowance, or is registered blind or has left the register in the last 28 weeks.
- and a childcare tax credit worth up to 70% of eligible childcare costs up to maximum cost of £100 per week for families who pay for childcare for one child and £150 for families who pay for childcare for two or more children.

The amount of WFTC for which a family qualifies is calculated by adding together the tax credits appropriate to their circumstances. The amount of tax credit actually payable depends on net earnings and other income after tax, National Insurance and half of any contributions to a personal or occupational pension have been taken off. If net income is above £91.45 per week the maximum WFTC is reduced by 55 pence for each £1 of income above £91.45. If net income is below these amounts, the maximum WFTC is payable.

Tax Credit Office staff on the Tax Credit Helpline can give you more information. You can call them on **0845 609 5000** or Textphone **0845 606 6668**. The lines are open from 7:30am to 6:30pm Monday to Friday. In Northern Ireland call **0845 609 7000** or Textphone **0845 607 6078**. The lines are open from 7.30am to 6.30pm Monday to Friday. All calls are charged at local rates.

Can I get help with my childcare costs?

Yes. Extra help with childcare costs is available through the childcare tax credit, which is part of WFTC. Up to 70% of eligible childcare costs are allowable up to a maximum cost of £100 a week for one child and £150 a week for two or more children. This means that the childcare tax credit is worth up to an extra £70 a week for families with one child and £105 a week for families with two or more children. See page 11 for more information.

Are maintenance payments taken into account when calculating WFTC entitlement?

No. Maintenance payments are not taken into account in the calculation of your income when the amount of WFTC to which you are entitled is calculated. This means that you will be able to keep any maintenance that you receive in addition to your WFTC.

Anyone who submits an application for WFTC will not be required to co-operate with the CSA in seeking maintenance from a non-resident parent. But, if you are not getting maintenance, it is worth getting in touch with the CSA, although you are not obliged to, as they provide a free assessment and collection service. You can contact them on the CSA National Enquiry line **0345 133 133**. If you live in Northern Ireland they can be contacted on **0345 139 896**. Lines are open from 8.00am to 8.00pm Monday to Friday. All calls are charged at local rates.

How is WFTC paid?

If you are self-employed or not working, you will receive your WFTC direct from the Tax Credit Office. If you are employed, you will receive the first few instalments of WFTC direct from the Tax Credit Office. After that, if your employer operates Pay As You Earn (PAYE), they will be asked to pay WFTC along with your wages or salary (so you will receive your WFTC at the same frequency as you receive your wages or salary). Couples will be able to choose which of them applies for and receives the tax credit (either a working or non-earning partner). See page 22 for more information.

It sounds good, but I am a lone parent. I am not really sure that work is right for me.

The Government recognise the difficulties faced by lone parents, many of whom do want to work. The New Deal for Lone Parents is a programme to help lone parents on Income Support find work. If you decide to take part, your own Personal Adviser will help you through the whole process of getting a job, finding suitable childcare and, if necessary, training. Your Adviser can provide advice and information about benefits and help you apply for WFTC. To arrange an appointment with a New Deal for Lone Parents Personal Adviser, or for more information contact your local Jobcentre, or call **0800 868 868**. Also see the section entitled 'Lone Parent's Benefit Run-on' on page 23.

How long will an award last?

WFTC awards will usually last for 26 weeks regardless of any change in your circumstances.

Who can I talk to about this?

You can get more advice and information by phoning the Tax Credit Helpline on **0845 609 5000** or Textphone **0845 606 6668**. The lines are open from 7.30am to 6.30pm Monday to Friday. In Northern Ireland the Tax Credit Helpline number is **0845 609 7000** or Textphone **0845 607 6078**. The lines are open from 7.30am to 6.30pm Monday to Friday. All calls are charged at local rates.

MAIN RULES

This section goes into detail about the four main rules.

- ## Working 16 hours or more a week - as an employee or self-employed person

  Either you or your partner (if you have one), must be working, on average, for 16 hours or more a week. You may have more than one job and either partner may be working (although the hours worked by a couple cannot be added together to reach the 16 hours minimum).

- Responsibility for a child

  You or your partner must be responsible for at least one child under the age of 16 (or a young person aged between 16 and 19, who is in full-time education up to A-level or equivalent standard). The child or young person must be living with you as a member of your family.

- Capital

  If you, or you and your partner together, have more than £8,000 in capital, you will not be entitled to WFTC. Capital includes savings, shares, investments, lump sum payments and the value of second and other houses and land. Some types of capital such as the house that you live in, your personal possessions and the capital in your business if you are self-employed are not counted at all. If you, or you and your partner together, have capital of between £3,000 and £8,000, a standard rate of weekly income is taken into account which will reduce the amount of WFTC you can get. See page 10 for more information.

- Residence

  To apply for WFTC you must normally live in the United Kingdom and be present there on the date that you apply. Your partner must also normally live in the United Kingdom. If you live in England, Scotland or Wales you should apply for WFTC to the Tax Credit Office in Preston. If you live in Northern Ireland you should apply to the Tax Credit Office in Belfast. Full addresses are given on page19.

You should seek further advice from the Tax Credit Helpline if either you or your partner are working elsewhere in the European Community or if either of you are here from abroad and has some limit or condition on remaining in the United Kingdom.

HOW WFTC IS WORKED OUT

If your family satisfies the main entitlement rules, the amount of WFTC that you will get depends on your circumstances, that is

- your net income and capital
- the number of hours you work each week
- the number and ages of your children, and
- in certain circumstances, how much you pay in childcare.

Income

Income is all the money that you have coming in each week, whether received by you or your partner (if you have one). Your income and that of your partner are added together when WFTC is calculated and include

Earnings

- take-home wages or salary (that is what is left after you have paid tax, National Insurance contributions and half of any money you pay towards a pension scheme, either through your employer or to a personal pension scheme). You may wish to check your employer is paying you at least the national minimum wage (see inside front cover for information)
- commission, bonus, tips, retainers, profit-related pay and holiday pay
- self-employed earnings - these are calculated by deducting expenses, tax, National Insurance contributions and half of any money paid towards a personal pension from actual receipts; only those expenses wholly and exclusively incurred in the course of self-employed work are deducted
- earnings do not include any payments in kind other than living accommodation provided by reason of the employment and vouchers (other than childcare vouchers).

Other Income

- most Social Security benefits (but see the section below headed 'Income that is not taken into account')
- any assumed income from capital (see page 10)
- payment of any Council Tax by your employer
- Statutory Sick Pay
- any occupational or personal pension.

Income that is not taken into account

If you qualify for WFTC you are able to keep all of the maintenance that you receive and the following Social Security benefits are not taken into account

- Attendance Allowance
- Child Benefit
- Child Benefit (Lone Parent)
- Educational Maintenance Allowance
- Constant Attendance Allowance
- Council Tax Benefit
- Guardian's Allowance
- Disability Living Allowance
- Housing Benefit
- Maternity Allowance
- Christmas Bonus (£10)
- any Social Fund payment
- War Pensioners' Mobility Supplement
- supplementary pensions for War Widows, and
- Severe Disablement Occupational Allowance.

Capital

The value of personal possessions and your home is ignored when working out your capital for WFTC purposes. Your business capital (including for example, land, buildings, machinery and stock) is also ignored if you are self-employed. Capital means the total of savings, investments, lump-sum payments, and the value of any houses and land owned by you or your partner and not occupied by you.

The first £3,000 of capital is ignored when calculating your WFTC. Capital with a value of between £3,000 and £8,000 will be taken into account by assuming a weekly income of £1 for each £250 of capital above £3,000. For example:

Capital held	Assumed weekly income
£3,000.01 - £3,250.00	£1
£3,250.01 - £3,500.00	£2
£3,500.01 - £3,750.00	£3
£3,750.01 - £4,000.00	£4
£4,000.01 - £4,250.00	£5
£4,250.01 - £4,500.00	£6

The assumed weekly income will then be included when your income is added together to calculate how much WFTC you will get.

If you have capital of more than £8,000 you will not be eligible for WFTC.

Help with the cost of childcare

Some families may be able to get more WFTC each week to help with the cost of their paid childcare. This extra WFTC is called childcare tax credit and is worth up to 70% of eligible childcare costs up to a maximum cost of £100 a week for families who pay for childcare for one child, and £150 for families who pay for childcare for two or more children.

This extra help is available to employed or self-employed

- lone parents working 16 hours or more a week
- couples where both partners work 16 hours or more a week, or
- couples where the applicant is working 16 hours or more a week and their partner is incapacitated.

To qualify for the help

- the child or children cared for must be of the qualifying age (from birth to the first Tuesday in the September following the 15th birthday, or up to the first Tuesday in September following their 16th birthday if the child is in receipt of Disability Living Allowance, is registered blind or has been taken off the blind register in the last 28 weeks).

The childcare must be provided

- by registered childminders, nurseries, play schemes, or out-of-school clubs, or
- for children aged 8 or over, by out-of-school clubs run by a school on school premises or by a local authority, or
- on Crown property, for example a nursery or play scheme run by a Government Department for the children of employees
- a new scheme was introduced from April 2000 which enables providers of childcare services for older children to be approved and consequently count as eligible childcare for the childcare tax credit. These ‘Approved Providers’ generally provide out-of-school care for 8’s and over (such as Breakfast, After-School and Holiday Clubs). They are approved by ‘Accredited Organisations’ and are able to advertise that the cost of care that they provide is eligible for help through the childcare tax credit.

The WFTC calculation

Each family can receive a maximum weekly amount of WFTC. This is calculated by adding together the appropriate WFTC credits for your family circumstances and then looking at your family income.

If your total income (see page 8) is less than £91.45 a week, you will be awarded the maximum WFTC. If your total income is more than £91.45 a week, your maximum WFTC will be reduced by 55 pence for each £1 of income above £91.45.

EXAMPLES OF WFTC CALCULATIONS

The following examples are intended both to explain how WFTC is calculated, and to give you an idea of how families can benefit. Remember, Child Benefit and any maintenance payments received are not counted as income when the WFTC is calculated.

Example 1

A lone parent with one child aged 12 has take-home pay of £87 for work of less than 30 hours a week and Child Benefit. As the family's normal net weekly income is less than £91.45 they will get the maximum WFTC of £78.75.

Income net of tax and National Insurance contributions		£87.00
WFTC maximum amount:		
Basic tax credit	£53.15	
Child tax credit (age 12)	£25.60	
Total	**£78.75**	
WFTC payable		£78.75
Net income + WFTC		**£165.75**
Child Benefit		£17.55
Total income		**£183.30**

Example 2

A self-employed lone parent with two children aged 6 and 10 has net earnings of £140 for work of less than 30 hours a week, Child Benefit and £30 a week maintenance.

Income net of tax and National Insurance contributions		£140.00
WFTC maximum amount:		
Basic tax credit	£53.15	
Child tax credit (age 6)	£25.60	
Child tax credit (age 10)	£25.60	
Total	**£104.35**	
Less 55% of income in excess of £91.45 (£140-£91.45 =£48.55)	**- £26.70**	
WFTC payable		£77.65
Net income + WFTC		**£217.65**
Child Benefit		£27.55
Maintenance		£30.00
Total income		**£275.20**

Example 3

A lone parent with one child aged 13 who is disabledn has take-home pay of £175 for work of more than 30 hours a week and Child Benefit. He/she pays eligible childcare costs of £85 a week and applies for WFTC from October 2000.

Income net of tax and National Insurance contributions		£175.00
WFTC maximum amount:		
Basic tax credit	£53.15	
Child tax credit (age 13)	£25.60	
Disabled child tax credit	£22.25	
30 hours credit	£11.25	
Childcare tax credit (70% of weekly costs of £85)	£59.50	
Total	**£171.75**	
Less 55% of income in excess of £91.45 (£175-£91.45 =£83.55)	**-£45.95**	
WFTC payable		£125.80
Net income + WFTC		**£300.80**
Child Benefit		£17.55
Total income		**£318.35**

Example 4

A couple with one child aged 7 have take-home pay of £180 for work of less than 30 hours a week and Child Benefit.

Income net of tax and National Insurance contributions		£180.00
WFTC maximum amount:		
Basic tax credit	£53.15	
Child tax credit (age 7)	£25.60	
Total	**£78.75**	
Less 55% of income in excess of £91.45 (£180-£91.45 =£88.55)	- **£48.70**	
WFTC payable		£30.05
Net income + WFTC		**£210.05**
Child Benefit		£15.00
Total income		**£225.05**

Example 5

A couple, who are self-employed and have three children aged 10,13 and 16 have net earnings of £200 for work of over 30 hours a week and Child Benefit.

Income net of tax and National Insurance contributions		£200.00
WFTC maximum amount:		
Basic tax credit	£53.15	
30 hours credit	£11.25	
Child tax credit (age 10)	£25.60	
Child tax credit (age 13)	£25.60	
Child tax credit (age 16)	£26.35	
Total	**£141.95**	
Less 55% of income in excess of £91.45 (£200-£91.45 =£108.55)	-**£59.70**	
WFTC payable		£82.25
Net income + WFTC		**£282.25**
Child Benefit		£35.00
Total income		**£317.25**

Example 6

A couple, both working less than 30 hours a week with two children aged 3 and 7 have take-home pay of £265 and Child Benefit. They pay eligible childcare costs of £125 a week.

Income net of tax and National Insurance contributions		£265.00
WFTC maximum amount:		
Basic tax credit	£53.15	
Child tax credit (age 3)	£25.60	
Child tax credit (age 7)	£25.60	
Childcare tax credit (70% of weekly costs of £125.00)	£87.50	
Total	**£191.85**	
Less 55% of income in excess of £91.45 (£265-£91.45 =£173.55)	**- £95.45**	
WFTC payable		£96.40
Net income + WFTC		**£361.40**
Child Benefit		£25.00
Total income		**£386.40**

HOW TO APPLY FOR WFTC

WFTC is administered by staff at the Inland Revenue's Tax Credit Offices in Preston and Belfast. All applications and correspondence about WFTC go to these offices.

Applications are made by post on form WFTC1, which is included in the WFTC application pack. You can get an application pack by phoning the Tax Credit Helpline **0845 609 5000** or Textphone **0845 606 6668** (lines are open from 7.30am - 6.30pm Monday to Friday). In Northern Ireland call **0845 609 7000** or Textphone **0845 607 6078** (lines are open from 7.30am to 6.30pm Monday to Friday). All calls are charged at local rates. You can also get an application pack from Inland Revenue Enquiry Centres, Benefits Agency and Social Security offices and Employment Service Jobcentres.

A pre-paid envelope is included in the application pack. Your completed application form should be sent to:

England, Scotland and Wales

Tax Credit Office
Inland Revenue
PO Box 145
Preston
PR1 0GP

Northern Ireland

Tax Credit Office
Inland Revenue
Dorchester House
Great Victoria Street
Belfast
BT2 7WF

Filling in the application form

We have tried to make the application form WFTC1 as simple as possible to follow and complete. It is important that you provide all the necessary information and supporting evidence that is requested. For example, your National Insurance number, which you will find on any correspondence from your Tax Office, or payslips. This will enable the Tax Credit Office to process your application quickly.

Couples can choose which partner applies for and receives their WFTC. So, before you complete the application form, you may find it useful to look at the section on how you can be paid. Couples will need to decide who is to receive the payments. On the occasions when a couple cannot agree which of them should receive the tax credit the Inland Revenue will make payment to the partner who normally looks after the children.

Evidence of earnings

When you apply for WFTC, you will be asked to provide evidence of your earnings, so it is very important that you keep your payslips or other records of earnings.

If you work for an employer, please send with your application form

- your last seven payslips if you are paid weekly, or
- the last four if you are paid any other way, for example, fortnightly or monthly, or
- if you have just started work and have yet to receive a payslip, you can give form TC 500 (enclosed in the application pack) to your employer to complete.

If you are self-employed you can

- send in a set of accounts if they are less than 12 months old, or
- complete form WFTC 501 (enclosed in the application pack) to give details of your income and expenses.

Evidence of childcare costs

If you qualify for extra help with the cost of childcare (see page 11), you will need to provide information about the costs on form WFTC 502 (enclosed in the application pack).

For people who have just started work

There are special arrangements for people who are about to start work or who have started work within the last five weeks. These arrangements enable a person's application to be cleared, and payment issued, more quickly.

- For people who have been signing on as unemployed, the Client Advisor at your local Employment Service Jobcentre will be able to give you advice.
- For other people such as lone parents, staff at your local Benefits Agency office, Social Security office or Inland Revenue Enquiry Centre can help. Or talk to your New Deal for Lone Parents Advisor at your local Jobcentre.
- In Northern Ireland, both these services are provided by your local Social Security office.

These arrangements are for both employed and self-employed people.

HOW WFTC IS PAID

Self-employed and non-earning applicants may be paid by either Automated Credit Transfer (ACT) or by Order Book. ACT allows payment to be made directly into your bank or building society account fortnightly. Payment by Order Book is made by cashing weekly orders at the Post Office. Payments by both methods are made in arrears. You can choose how to be paid when you complete your application form (awards of £4.00 a week or less are normally paid as a lump sum at the start of the award period). If you are married or have a partner you may choose which of you applies for and receives the payments. Once you have made that choice, it cannot be changed during the 26 week award period. But you may change your decision about who receives the payments next time you apply. WFTC is in all cases paid to the person who applies for it.

Employees normally receive their WFTC with their wages or salary. The Tax Credit Office makes the initial payments fortnightly, a week in arrears and a week in advance. After that, your employer will pay your tax credit with your wages or salary at the same frequency as he or she pays your wages or salary. The Tax Credit Office will tell your employer how much to pay, when to start paying and when to stop. Your employer will be told only that you are receiving a tax credit, not specific personal details (for example, which tax credit you are receiving).

WFTC is usually paid at the same rate for a fixed period of 26 weeks and the amount will not usually change even if your circumstances change. So, even if your earnings go up in that time, you will still get the same amount of WFTC. A few weeks before the award runs out, you will be sent another application form which you should return as soon as possible if you are to be paid without a break. You will also be informed of the earliest date you can apply.

Further information will be included in the literature sent to you if your application is successful.

OTHER HELP FOR WFTC RECIPIENTS

On Starting Work

For people who have been out of work and receiving Income Support or Jobseeker's Allowance, there are several measures in place to help them move into work

- Lone Parent's Benefit Run-on

  If you are a lone parent and have been getting

  - Income Support
  - Jobseeker's Allowance, or
  - Incapacity Benefit

  for more than 6 months when you start full-time work, you may be able to keep your benefit for a further two weeks.

  This money is for people who are starting permanent work and stay in employment for more than five weeks. If you receive this money, but give up work after less than five weeks, you may not be paid benefit again for the first two weeks afterwards. You will not, however, have lost anything by trying work, because of the extra benefit paid when you started.

  You do not have to claim this separately, but you should tell the office dealing with your claim as soon as you know that you are starting work. If you have an Order Book, they will tell you if you can cash it for the extra two weeks, but you should not cash it without checking with the office.

- Extended Housing Benefit/Council Tax Benefit payments

  People who return to work after 182 days or more on Income Support or Jobseeker's Allowance, may be able to get an extended payment of Housing Benefit and/or Council Tax Benefit for an extra four weeks after starting work. Application forms are available from Social Security offices and Jobcentres. Applications must be made within eight days of Income Support or Jobseeker's Allowance ending. Lone parents who get the Benefit Run-on (see above) do not

need to do this - they will get the extra four weeks Housing Benefit/Council Tax Benefit automatically. See below for more information about Housing Benefit and Council Tax Benefit once you have started work.

- ## Back to Work Bonus

  The Back to Work Bonus may give cash help of up to £1,000 on return to work if you have been out of work for three months or more and have worked part-time while you were getting Income Support or Jobseeker's Allowance. The bonus does not count as income for WFTC purposes. Leaflet BTWB20 gives more information and is available from Jobcentres, Social Security offices and Post Offices.

- ## Child Maintenance Bonus

  The Child Maintenance Bonus may give cash help of up to £1,000 on return to work if you have been getting Child Support Maintenance whilst you were getting Income Support or Jobseeker's Allowance. Leaflet CMB20 gives more information and is available from the office that deals with your Income Support or Jobseeker's Allowance.

- ## Housing Benefit and Council Tax Benefit

  People on low or middle incomes who have to pay rent or Council Tax may be able to claim Housing Benefit and Council Tax Benefit. Local councils run both schemes. Both Housing Benefit and Council Tax Benefit can be claimed whether someone is getting WFTC or not, although WFTC is taken into account when working out their entitlement. The cost of childcare is taken into account when assessing Housing Benefit and Council Tax Benefit entitlement.

  Leaflets RR1 'Housing Benefit - Help with your rent' and CTB1 'Help with the Council Tax' are available from Post Offices or council offices.

  In Northern Ireland you can find out more about help with paying your rent and/or rates from your nearest District Office of the Northern Ireland Housing Executive if you are a tenant, or from your Rate Collection Agency local office if you are an owner occupier.

The Social Fund

The Social Fund helps people with exceptional expenses, which are difficult to meet from regular income. Whilst getting WFTC you may be able to get

- a Maternity Payment to help buy things for a new baby. Claim forms are available at Social Security offices
- a Funeral Payment to help with funeral expenses.

National Insurance credits for State Pension purposes

A person getting WFTC may be awarded National Insurance (NI) credits for State Pension purposes provided they reach state pension age after 5 April 1999. In order to get these credits, you must be an employed earner or a self-employed earner who has a small earnings exception. Married women who have chosen to pay reduced contributions cannot get these NI credits.

Help with NHS costs

While you are receiving WFTC, you may be entitled to help with NHS costs. If you want to find out more you can call Freephone **0800 917 7711** for advice or read leaflet HC11 'Are you entitled to help with health costs?'.

From October 2000, we will tell you if you are entitled to help with your health costs on your award notification.

Cover illustration Dick Bruna © Copyright Mercis bv, 1963

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

Issued by the External Communications Unit of the Inland Revenue.
August 2000
© Crown Copyright 2000

NSV T2P 0173

Printed by Tactica Solutions